

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Old Chatham Post Office
Old Chatham, New York

Docket No. A2011-69

UNITED STATES POSTAL SERVICE
NOTICE OF FILING ERRATA
(November 2, 2011)

The Postal Service hereby files errata to its Comments filed in this docket on November 2, 2011. Minor corrections were made on pages 4 and 9 of that pleading. A revised version of the pleading is attached to this notice. The Postal Service regrets any inconvenience.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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November 2, 2011

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UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(November 2, 2011)

On September 8, 2011, the Postal Regulatory Commission (Commission) received appeals from postal customers Karen A. Murphy and Richard J. Dorsey (Petitioners) objecting to the discontinuance of the Post Office at Old Chatham, New York. On September 13, 2011, the Commission issued Order No. 853, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). On September 13, 2011, the Commission received an appeal from Joan & James Murray. On September 14, 2011, the Commission received an appeal from Gail H. Lundy. The Commission received Participant Statements from Petitioner Karen A. Murphy, on October 18, 2011, Petitioner Richard J. Dorsey, on October 12, 2011, and Petitioner Gail Lundy, on October 18, 2011. The Commission received no additional written communications from customers of the Old Chatham Post Office. In accordance with Order No. 853, the administrative record was filed with the Commission on September 23, 2011.

The appeals received by the Commission raises four issues: (1) the impact upon postal services, (2) the impact upon the Old Chatham community, (3) the calculation of economic savings expected to result from discontinuing the Old Chatham Post Office,

and (4) the effect on employees. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Accordingly, the determination to discontinue the Old Chatham Post Office should be affirmed.

Background

The Final Determination To Close the Old Chatham, NY Post Office and Continue to Provide Service by Rural Route Service (FD), as well as the administrative record, indicate that the Old Chatham Post Office provides EAS-13 level service to 154 Post Office Box, 345 delivery customers, and retail customers 33.25 hours per week. FD at 2; Item No. 42, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.¹ The Postmaster of the Old Chatham Post Office was promoted on August 2, 2008. A career employee from a neighboring office was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, only the noncareer postmaster relief (PMR) employee may be separated from the Postal Service. FD at 9. Item 41 Proposal (Revised), at 10.

The average number of daily retail window transactions at the Old Chatham Post Office is 27. Revenue has declined: \$66,834.00 in FY 2008, (174 revenue units); \$51,008.00 in FY 2009, (133 revenue units); and \$49,230.00 in FY 2010, (128 revenue units).² The Old Chatham Post Office has two meter and no permit customers. FD at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, (Revised) at 2.

¹ In these comments, specific items in the administrative record are referred to as "Item ____." The Final Determination to Close at Item 39, is referred to as "FD".

² FD, at 2; Item No. 18, Fact Sheet, at 1; Item No. 33, Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery to road side mailboxes located close to customers' residences. The rural route will be administered by the East Chatham Post Office Post Office, an EAS-15 level office located three miles away, which has 183 available Post Office Boxes. FD at 2, 7; Item 41 Proposal (Revised), at 3; Item No. 42, Fact Sheet, at 1; Item 33, Proposal, at 2; Item No. 41, Proposal, (Revised) at 2. This service will continue upon implementation of the FD. FD at 2.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. Issues raised by the customers of the Old Chatham Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Old Chatham Post Office. Questionnaires were also available over the counter for retail customers at Old Chatham. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Old Chatham Post Office, at 1. A letter from the Manager of Post Office Operations, Albany, NY, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Old Chatham Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the East Chatham Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and

the effects of a possible change involving rural route delivery. Item No. 21, Letter to Customer, at 1.³ The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Chatham Town Hall for a community meeting on May 3, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21, at 4, Notice; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 41, Proposal, at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Old Chatham Post Office and the East Chatham Post Office from May 18, 2011 to July 18, 2011. FD, at 2; Item No. 36, Proposal, at 2, 3, 4, 5. The FD was posted at the same two Post Offices starting on August 9, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record. Item 49, at 1, 2.

In light of a postmaster vacancy, minimal workload, declining office revenue,⁴ the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁵ very little recent growth in the area,⁶ minimal impact upon the community, and the expected financial savings,⁷ the Postal Service issued the FD.⁸

³ Petitioner Murphy states that the survey results were unfairly used in support of the discontinuance action. The Postal Service notes that the surveys are intended to assess usage patterns and customer needs. They are not intended to accomplish any particular outcome. Moreover, the categorization of opposition, support, or neutrality of a survey is not, in and of itself, dispositive. What is dispositive is whether effective and regular service can be provided in the event of a discontinuance, and in this case, the conclusion was affirmative.

⁴ See note 2.

⁵ FD, at 2-7; Item No. 33, Proposal, at 2-6; Item No. 41 Proposal (Revised), at 2-8.

⁶ FD, at 9; Item No. 16, Community Survey Sheet, at 1-2;

⁷ FD, at 8-9; Item No. 17, at 2 Rural Route Cost Analysis Form; Item No. 18, Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 6-8.

Regular and effective postal services will continue to be provided to the Old Chatham community in a cost-effective manner upon implementation of the final determination.

FD at 2.

The issues raised by the Petitioners are addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Old Chatham Post Office on postal services provided to Old Chatham customers. The closing is premised upon providing regular and effective postal services to Old Chatham customers.

The Petitioners, in their letter of appeal, raise the effect the Post Office's closing will have on the East Chatham community, noting the convenience of the East Chatham Post Office and requesting its retention. The Petitioners also assert that the road connecting Old Chatham and East Chatham "has steep hills and an antiquated bridge that crosses railroad tracks". Appeal Letter of Richard J. Dorsey, received by the Commission on September 7, 2011, at 2.

These concerns were considered by the Postal Service. As explained in the record, most services provided at the Old Chatham Post Office are available to customers without having to travel to East Chatham. Stamps are available at nearly

⁸ FD, at 9-11.

70,000 retail locations nationwide. FD at 2; Item 41 Proposal (Revised) at 6. For customers with internet service, stamp and other postal products may be purchased online. FD at 2; Item 41 Proposal (Revised) at 6. The Stamps by Mail Program provides customers the opportunity to purchase stamps, envelopes and postal cards by using a Stamps by Mail order form, which is available from the letter carrier, as well as from the Post Office. FD at 4; Item 41 Proposal (Revised) at 6. Customers may purchase money orders from their letter carrier. Customers may also obtain special services, such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD from their letter carrier. FD at 4; Item 41 Proposal (Revised) at 6. Customers who need their mail held may submit a request to that effect, and upon their return, they may have delivery resumed. FD at 4-5; Item 41 Proposal (Revised) at 6.

In addition, the effect of the closing of the Old Chatham Post Office on the shipping of packages was considered extensively by the Postal Service. FD at 4; Item No. 41, Proposal, (Revised) at 2, 4. The rural carrier will accept packages and letters for mailing. The carrier will estimate the cost and provide a receipt for any money received. On the following delivery day, the carrier will provide change or a bill for the amount over the estimate. FD at 2-3; Proposal (Revised), at 2. Carrier pickup is available, which allows for scheduling the pickup of packages at the same time the carrier delivers the mail. FD at 2-3. Item 41 Proposal, (Revised), at 4. Further, various options exist for the shipping of packages, which are explained on www.usps.com. If

internet access is available, the Postal Service's Click-N-Ship service enables customers to print shipping labels with postage for Express Mail and Priority Mail.

The Postal Service has considered the impact of closing the Old Chatham Post Office upon the provision of postal services to Old Chatham customers. Customers will receive delivery and retail services by rural route service under the administrative responsibility of the East Chatham Post Office, located three miles away. However, customers may obtain the vast majority of postal services without having to make the trip to East Chatham. Thus, the Postal Service has properly concluded that all Old Chatham customers will continue to receive regular and effective service via rural route service.

Effect Upon the Old Chatham Community

The Postal Service is obligated to consider the effect of its decision to close the Old Chatham Post Office upon the Old Chatham community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Old Chatham is an incorporated rural community located in Columbia County. Police protection is provided by the New York State Police. The community is administered politically by Chatham, with fire protection provided by the Tri Village. FD at 8; Item 16 Community Survey Sheet; Item 33 Proposal, at 6. The community is comprised of retirees, self-employed, seasonal workers, and those who commute to

work at nearby communities and work in local businesses. FD at 8; Item 33 Proposal, at 6. The questionnaires completed by Old Chatham customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Old Chatham must travel elsewhere for other supplies and services. See generally FD at 8.⁹ Petitioner Dorsey's letter of appeal raises the issue of the effect of the closing of the Post Office upon the Old Chatham community. He expresses concern that the Old Chatham Post Office is a "local presence and partner in this historic community". Dorsey Appeal, at p. 1, para. 3. That the Old Chatham Post Office plays a role in the community was considered by the Postal Service. FD at 8-9; Item No, 41, Proposal, (Revised) at 9. Item No. 40, Analysis of Comments, at 3. The record makes clear that the Postal Service is addressing this concern through preservation of the Old Chatham name and ZIP Code in addresses. FD at 8-9; Item No, 41, Proposal, (Revised) at 9. Item No. 40, Analysis of Comments, at 3. Further, the Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of a community name. FD at 8-9; Item No, 41, Proposal, (Revised) at 8. Item No. 40, Analysis of Comments, at 3; Item No. 23, Analysis of Questionnaires, at 2. Communities generally require regular and effective postal services and these will continue to be provided to the Old Chatham community. Carrier service is expected to

⁹ Item No. 22, Returned customer questionnaires, at 2, 4, 6, 8, 12, 14, 16, 20, 22, 24, 26, 28, 30, 32, 34, 36, 38, 40, 42, 44, 46, 48, 50, 54, 58, 61, 63, 65, 67, 70, 72, 74, 76, 78, 80, 83, 85, 87, 93, 95, 97, 99, 101, 103, 105, 108, 112, 114, 116, 118, 120, 124, 126, 130, 132, 136, 140, 142, 144, 146, 148, 151, 153, 155, 157, 159, 161, 163, 167, 169, 171, 175, 177, 181, 183, 185, 187, 191, 193, 197, 199, 201, 204, 208, 212, 214, 216, 218, 222, 224, 226, 228, 230, 232, 234, 237, 239, 243, 245, 250, 252, 254, 256, 260, 262, 264, 266, 269, 271, 273, 275, 279, 281, 283, 286, 288, 290, 282, 294, 298, 300, 302, 309, 311, 313, 316, 318, 320, 323, 325, 327, 329, 331, 333, 335, 341, 343, 345, 347, 349, 351, 354, 358, 360, 362, 364, 370, 372.

be able to handle any future growth in the community. FD, at 9, Item No. 41, Proposal (Revised), at 9. The Postal Service noted that residents may continue to meet informally, socialize, and share information at the other businesses, churches and residences in town. FD, at 9; Item No, 41, Proposal, (Revised) at 9.

Petitioner Dorsey states that the discontinuance action will have a negative effect on businesses in the community. The record shows, however, that the majority of the residents responding to the questionnaires would still patronize local businesses in the event the Old Chatham Post Office was closed.¹⁰ Indeed, several respondents commented on how few local businesses are located in the community. See Item 22 Returned Customer Questionnaires, at 40, 169, 185, 228. Further, a number of respondents reported that they do not use local businesses now. Item 22 Returned Customer Questionnaires, at 14, 26, 42, 61, 65, 70, 80, 114, 136, 142, 163, 179, 183, 185, 201, 212, 230, 271, 273, 370. Thus, the clear majority of those residents who currently patronize local businesses in Old Chatham responded that they would continue to do so.

In addition, the Postal Service has concluded that nonpostal services provided by the Old Chatham Post Office can be provided by the East Chatham Post Office, as well as from other outlets. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 8; Item No, 41, Proposal, (Revised) at 9.

¹⁰ Item 22 Returned Customer Questionnaires, at 2, 4, 6, 8, 12, 16, 20, 22, 24, 28, 32, 36, 40, 44, 50, 54, 58, 63, 67, 72, 74, 76, 78, 83, 87, 93, 95, 99, 101, 103, 105, 108, 112, 116, 118, 120, 122, 124, 126, 130, 132, 140, 144, 146, 148, 153, 155, 159, 161, 167, 169, 175, 177, 187, 191, 193, 197, 199, 214, 216, 218, 220, 222, 224, 226, 228, 234, 239, 243, 260, 262, 266, 275, 281, 283, 288, 290, 292, 294, 298, 300, 311, 313, 316, 323, 325, 333, 337, 339, 343, 345, 349, 351, 354, 356, 362, 364, 372.

In sum, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Old Chatham Post Office on the community served by the Old Chatham Post Office.

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster was promoted on August 2, 2008. Since that time, an OIC (temporary officer-in-charge), has been installed. Upon implementation of the final determination, the OIC will return to her position at a nearby post office. The noncareer postmaster relief (PMR) may be separated from the Postal Service. The record shows that no other employee would be affected by this closing. FD, at 9; Item No. 10, Post Office Survey Sheet, at 1; Item No. 41, Proposal, (Revised) at 10.

Petitioner Lundy expresses concern about the impact on the noncareer employee. The Postal Service notes, however, that the OIC is a noncareer position, and the employee accepts the terms of employment on that basis. In any event, Postal Service management of its employee and labor relations beyond evaluation of the statutory criterion of impact upon employees—traditionally evaluated in terms of impact upon career employees—is not otherwise germane to discontinuance decisions.

Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Old Chatham Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Old Chatham Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Old Chatham Post Office are \$28,567.00. FD at 9; Item No. 41, Proposal, (Revised) at 10; Item 33, Proposal, at 8.

Petitioner Murphy contends that the Postal Service's savings estimates are incorrect because a career Postmaster salary was used in the calculation, in lieu of the lower income earned by the OIC. The Postal Service notes, however, that it was appropriate to use a career Postmaster's salary in the calculation because the career position would have ultimately been filled if the Old Chatham Post Office had not been identified as a candidate for discontinuance. Thus, the Postal Service will save the salary and benefits of a career Postmaster position.

Petitioner Dorsey also questions the wisdom of the lease the USPS entered into about ten years ago in East Chatham, New York. This observation, however, exceeds the scope of the FD, which concerns whether the Old Chatham Post Office should be discontinued. The merits of the East Chatham Post Office and its lease costs are not germane to the discontinuance action at issue here.

Petitioners in this appeal question the consistency of this proposal with statutory authority in Title 39. Here, however, a variety of factors inform the decision to discontinue the Old Chatham Post Office, including a postmaster vacancy, minimal

workload, declining office revenue, the variety of delivery and retail options (including the convenience of rural delivery and retail service), very little recent growth in the area, minimal impact upon the community, and the expected financial savings. FD at 7-9; Item 41 Proposal (Revised), at 8, 9; Item 44 Log of Post Office Discontinuance Action, at 1; Item 42 Fact Sheet, at 1. Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a Post Office must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.” In this case, the Postal Service analyzed, among other factors, the Old Chatham Post Office’s workload and revenue. The consideration of an office’s workload and revenue is not inconsistent with the policies of Title 39, however, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

The Postal Service determined that carrier service is more cost-effective than maintaining the Old Chatham postal facility and postmaster position. FD, at 9. The Postal Service’s estimates are supported by record evidence, in accordance with the Postal Service’s statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent

with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Old Chatham Post Office on the provision of postal services and on the Old Chatham community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Old Chatham customers. FD, at 2-8; Item 41 Proposal (Revised), at 2-8. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Old Chatham Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Old Chatham Post Office be affirmed.

Respectfully submitted,

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A handwritten signature in blue ink, consisting of a stylized 'M' followed by a horizontal line.

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